

LAW ENFORCEMENT AGENCY GUIDE TO THE WASHINGTON STATE GAMBLING COMMISSION



1. What is the Washington State Gambling Commission?

RCW 9.46 designates the Gambling Commission as a law enforcement agency with the responsibility to investigate, enforce and prosecute all violations of the Gambling Act. The statute also requires that this authority be shared with the local law enforcement agencies.

2. How was the Washington State Gambling Commission created?

Prior to 1973, all lotteries in the state of Washington were prohibited.

In 1973, the people of the state of Washington passed a referendum allowing the Legislature to authorize certain forms of social gambling and to establish a Commission to oversee these activities. In order for an activity to be authorized, it must pass a vote of the Legislature by a 60% majority.

The WSGC was subsequently created by Chapter 218, Laws of 1973, 1st Executive Session.

3. What is the organizational structure of the Gambling Commission?

The Governor, with the approval of the Senate, appoints five citizens to six-year terms as Commissioners. These Commissioners meet once each month. It is their responsibility to appoint a Director. This Director hires the rest of the staff.

The responsibility for enforcement falls generally to the Field Operations staff. The state is divided into three regions, headed by a regional manager, with field agents performing both enforcement and audit functions. The phone numbers for the Regional Offices and Headquarters are as follows:

| | |
|-------------------------|------------------------------------|
| Lacey Headquarters | 1-800-345-2529 or (360)486-3440 |
| <u>Southwest Region</u> | |
| Tacoma | (253) 471-5312 |
| <u>Northwest Region</u> | |
| Everett | (425) 339-1728 |
| <u>Eastern Region</u> | |
| Spokane | (509) 456-3167 |

4. What is the statutory definition of gambling?

A person engages in gambling if he stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under his control or influence, upon an agreement or understanding that he or someone else will receive something of value in the event of a certain outcome.

Profiting from the operation of a gambling activity is illegal unless specifically authorized by the Legislature.

5. What are the statutory responsibilities of law enforcement?

Local law enforcement has concurrent jurisdiction with the Gambling Commission on gambling violations (RCW 9.46.210(1)). RCW 9.46.210 (2) requires agencies to report all violations of the Gambling Act to the Gambling Commission. RCW 9.46.113 states that any county, city or town which collects a tax on gambling activities authorized...shall use the revenue from such tax primarily for the purpose of enforcement of the provisions of the chapter by the county, city or town law enforcement agency. (Emphasis added)

6. Can local governments restrict gambling?

Within their jurisdiction, a county or city may absolutely prohibit any gambling activities but may not change the scope of those activities if they do allow it (RCW 9.46.295). For example, some jurisdictions have prohibited either card rooms or pull tabs, but do allow bingo.

7. What is the authority of local law enforcement to inspect gambling?

RCW 9.46.130 allows for the inspection of the premises and paraphernalia located on the premises anytime the premises is open for business. Items off-premises may be requested between 8:00 a.m. and 9:00 p.m. Monday through Friday.

8. Is the WSGC connected with the Lottery or Horse Racing?

The Gambling Commission does not regulate lottery games, horse racing or satellite wagering on horses. The Washington State Lottery and Washington Horse Racing Commission are agencies with responsibility over those forms of gambling. As a law enforcement agency, the Gambling Commission neither promotes nor opposes gambling but does have occasion to work with the Lottery and Horse Racing Commissions on cases of mutual concern.

9. How is the Gambling Commission involved with tribal gambling activities?

The Gambling Commission was designated by the Legislature to be the lead agency in negotiating compacts with the tribes for various forms of Class III gambling in compliance with the federal Indian Gaming Regulatory Act of 1988. These activities

include casino table games, horseracing, off-track betting and lotteries. The resulting compacts have allowed for Commission agents to monitor compliance with the agreements, however the Commission does not share in the receipts from the activity or make any management decisions. Each tribe reimburses the Commission for actual expenditures in monitoring compliance, regulation and for performing background checks on employees and outside contractors.

10. Which gambling activities are authorized (legal)?

There are two types of legal gambling, unlicensed and licensed. Unlicensed activities are generally directly under the control of local law enforcement agencies. Field enforcement agents of the Gambling Commission closely monitor licensed activities. Cooperation between the Commission and local agencies for investigation of violations is provided for in RCW 9.46.210(2).

UNLICENSED ACTIVITIES

Sports Boards
Card/Dice Games in Nonprofit Orgs.
Bowling Monte Carlo
Promotional Contest of Chance
Golfing Sweepstakes
Turkey Shoots
Bingo, Raffles and Amusement
Games under \$5,000 Gross

LICENSED ACTIVITIES

Bingo
Punchboard/Pull Tabs
Card Rooms
Raffles
Fund Raising Events
(Reno Nights)
Amusement Games

10. How much money is generated by licensed gambling activities?

Total gross receipts reported by operators for fiscal year ending June 30, 2002

\$888,742,992.00

| Breakdown by activity | Net Receipts (amount wagered less prizes paid) |
|--|---|
| Card Rooms | \$245,316,199 |
| Punchboard/Pull Tab | 141,386,714 |
| Bingo | 34,005,275 |
| Comm. Amusement Games | 19,320,443 |
| Other (Raffles, Casino Nights, Non Profit Amusement Games) | 3,847,434 |

Gambling taxes reported paid by operators **to cities and counties** in fiscal year ending June 30, 2002

\$ 44,586,653.00

Definitions

Bookmaking:

- A. Defined in RCW 9.46.0213:
 - (1) Accepting bets upon the outcome of future contingent events as a business, or
 - (2) In which the bettor is charged a fee or "vigorish" for the opportunity to place a bet.

Player:

- A. Defined in RCW 9.46.0265:
 - (1) A person who engages on equal terms as a bettor in any form of gambling.
 - (2) No persons receive a profit there from except personal winnings.
 - (3) Renders no material assistance to the establishment, or conduct of gambling.
 - (4) In social game of chance.
 - (5) Person who engages in bookmaking is not a player.
- B. Player exempted from definition of professional gambling, (RCW 9.46.0269) when acting as a player as defined, unless the player pays a fee or "vigorish" enabling the player to place a wager with a bookie or pays a fee to participate in a card game in other than an authorized manner.

Professional Gambling:

- A. Defined in RCW 9.46.0269
 - (1) Acting other than as a player knowingly engages in conduct which materially aids any other form of gambling activity; or
 - (2) Acting other than as a player, the person knowingly accepts or receives money or other property pursuant to an agreement or understanding concerning participation in the proceeds of a gambling activity;
 - (3) Engaging in bookmaking;
 - (4) Conducts a lottery;
 - (5) Does not include legally authorized activity;
 - (6) Holds person with proprietary control over establishment responsible if premises is knowingly used for unauthorized gambling activity.

Cheating:

- A. Defined in RCW 9.46.196
 - (1) Employ or attempt to employ any device, scheme, or artifice to defraud any other participant or any operator;
 - (2) Engage in any act, practice, or course of operation as would operate as a fraud or deceit upon any other participant or any operator;
 - (3) Engage in any act, practice, or course of operation while participating in a gambling activity with the intent of cheating any other participant or the operator to gain an advantage in the game over the other participant or operator; or
 - (4) Cause, aid, abet, or conspire with another person to cause any other person to violate subsections (1)-(3) of this section.

Elements of the Crime and Penalties

RCW 9.46.220 Professional Gambling in the First Degree **Class B Felony**

- (1) Act in concert or conspires with five or more people; or
- (2) Accepts wagers exceeding \$5,000 during any calendar month; or
- (3) Operates, manages or profits from the operation of a premises or location where persons are charged a fee to participate in card games, lotteries or other gambling activities not authorized by this chapter or licensed by the Commission.

RCW 9.46.221 Professional Gambling in the Second Degree **Class C Felony**

- (1) Acts in concert or conspires with less than five people; or
- (2) Accepts wagers exceeding \$2,000 during any calendar month; or
- (3) Maintains a gambling premise or gambling records as defined in RCW 9.46.020.

RCW 9.46.222 Professional Gambling in the Third Degree **Gross Misdemeanor**

- (1) Does not constitute first or second degree.
- (2) Operates unlicensed activities in a manner other than as prescribed; or
- (3) Directly employed in, but not managing or directing any gambling activity.

RCW 9.46.1961 Cheating First Degree **First Degree – Class C felony plus an additional penalty of up to \$20,000**

- (1) Knowingly causes, aids, abets, or conspires with another to engage in cheating; or
- (2) Holds a license or similar permit issued by the state of Washington to conduct, manage, or act as an employee in an authorized gambling activity.

RCW 9.46.1962 Cheating Second Degree **Gross Misdemeanor**

- (1) Conduct does not constitute cheating in the first degree

CITY ORDINANCE AND COURT AUTHORITY

RCW 9.46.192 authorizes cities and towns to adopt as ordinances any and all misdemeanor or gross misdemeanor penalty sections of Gambling Act.

RCW 9.46.193 provides concurrent jurisdiction with the Superior Court to Municipal Courts and District Courts to hear, try, determine violations and impose up to the maximum penalties provided for the violation of ordinances adopted under the authority of RCW 9.46.

TAXING AUTHORITY ISSUES

WAC 230-04-400(3) states that the Commission may deny or revoke a license when the applicant has failed to make required gambling tax payments. The local taxing authority is required to submit a petition to the Commission requesting assistance. The petition should be sent to the attention of the Communications and Legal Department.

OTHER GAMBLING RELATED VIOLATIONS

| Statute | Penalty | Description |
|----------------|-----------------|---|
| 9.46.160 | Class B Felony | Conducting licensable activity without a license |
| 9.46.230(4) | Felony | Whoever owns, manufactures, possesses, buys, sells, rents, leases, finances, holds a security interest in, stores, repairs or transports gambling devices as defined in 9.46.0241 |
| 9.46.180 | Class B Felony | Conspiracy to violate gambling laws |
| 9.46.155 | Felony | Giving, providing or offering compensation for a license |
| 9.46.230(5) | Gr. Misdemeanor | Prints, makes, possesses, stores or transports gambling records defined in 9.46.0253 |
| 9.46.185 | Gr. Misdemeanor | Conspiracy to violate rules and regulations |
| 9.46.190 | Gr. Misdemeanor | Fraud by the operator upon participants |
| 9.46.240 | Gr. Misdemeanor | Transmitting or receiving gambling info (not app. to authorized activities) |
| 9.46.170 | Gr. Misdemeanor | False or misleading records - refusal to produce records |
| 9.46.195 | Misdemeanor | Obstruction of public servant |

SEE COMPANION BROCHURE TITLED "PROHIBITED GAMBLING ACTIVITIES AND CRIMINAL PENALTIES" FOR ADDITIONAL INFORMATION